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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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Arizona Corporation Commission

IN THE MATTER OF STAFF'S INQUIRY
INTO THE TERMINATION OF STANDPIPE
SERVICE BY JOHNSON UTILITIES L.L.P.

DOCKET NO. WS-02987A-15-0284

**STAFF'S MOTION TO CLOSE
DOCKET WITHOUT PREJUDICE**

Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") moves to have this docket administratively closed for the reasons set forth below.

I. FACTUAL BACKGROUND.

On July 24, 2015, Johnson Utilities, L.L.C. ("Johnson Utilities" or the "Company") mailed to users and posted a written notice that it would close its water standpipe ("Standpipe") located at 27931 North Edwards Road, San Tan Valley, Arizona 85143 on August 5, 2015. The Standpipe closed on July 30, 2015, however, due to vandalism of the computer that operates the Standpipe. Thereafter, Johnson Utilities disassembled the Standpipe and notified Staff and the commissioners that the Standpipe would not reopen.

On August 6, 2015, Staff filed a request to open this docket. On August 7, 2015, Staff filed a Memorandum and proposed Order recommending that the Commission order Johnson Utilities to reopen the Standpipe. Prior to Staff's filing, an informal complaint was lodged by the owner of San Tan Water Company ("STWC") on June 10, 2015, in which STWC alleged that Johnson Utilities had denied STWC access to the Standpipe without notice. At that time, STWC conducted a water hauling business and transported water by tanker to homes or businesses that requested bulk water delivery.

On August 11, 2015, a petition allegedly containing signatures of Standpipe users was filed in the docket requesting that the Commission require Johnson Utilities to reopen the Standpipe. The Company challenged the validity and/or authenticity of many of the signatures on the petition.

...

1 On August 13, 2015, Johnson Utilities filed comments opposing the proposed Order and
2 requesting that the Commission reject the proposed Order. Johnson Utilities asserted that the
3 Company does not have a tariff for standpipe service and requested that the docket be closed.
4 Johnson Utilities further asserted that no person who has been using the Standpipe would go without
5 potable water as a result of the closure because water can be obtained from other standpipes in the
6 area or from one or more water haulers operating in the area.¹

7 At the Open Meeting on August 18, 2015, the Commission directed Staff to send an engineer
8 to inspect the Standpipe to determine a repair timetable and to report its findings to the Commission.
9 The Commission also directed the Hearing Division to conduct an expedited proceeding to discuss an
10 appropriate procedural schedule for this matter, and to hold an expedited hearing to address whether
11 the Standpipe may be closed.

12 On August 21, 2015, Staff inspected the Standpipe as directed and on August 24, 2015, Staff
13 filed a memorandum reporting on its inspection.

14 On August 25, 2015, a procedural conference was held. Staff and the Company provided an
15 update on the Standpipe and discussed a proposed procedural schedule for a hearing.

16 On September 10, 2015, the administrative law judge issued a procedural order setting a
17 hearing date and establishing a procedural schedule in this case.

18 No person or entity who previously used the Standpipe is without access to potable water.
19 Residents in the area can obtain potable water on their own from at least two standpipes in the area.
20 The Town of Florence operates a standpipe at 425 E. Ruggles Street, Florence, Arizona, 85132 and
21 the Apache Junction Water Utilities Community Facilities District ("CFD") operates a standpipe at
22 725 E. Baseline Avenue, Apache Junction, Arizona, 85119. The Town of Florence standpipe is coin-
23 operated and provides potable water 24 hours-a-day, seven days-a-week. The CFD offers both
24 potable and non-potable water to anyone establishing an account from two separate standpipes that
25 are open 24 hours-a-day, seven days-a-week.

26 In addition, Roadrunner Transit, L.L.C. provides water hauling service to residents living
27 south of Hunt Highway. Johnson Utilities is also prepared to allow other commercial water haulers to

28 ¹ *Comments of Johnson Utilities re Staff Memorandum and Proposed Order* dated Aug. 13, 2015, at p. 3.

1 purchase water at Johnson Utilities' main yard at 968 E. Hunt Highway, San Tan Valley 85143,
2 provided that the water haulers sign agreements that they will comply with the following terms and
3 conditions:²

- 4 • The water hauler must establish an account with Johnson Utilities and pay for
5 water at the construction water rate;
- 6 • The water hauler must provide a certificate of insurance in the minimum
7 amount of \$2 million naming Johnson Utilities as an additional insured;
- 8 • The water hauler must sign an affidavit that it is in compliance with all
9 applicable Arizona laws and that it is using NSF/ANSI-approved equipment
10 for hauling potable water;
- 11 • The water hauler must indemnify Johnson Utilities from all liability arising in
12 any way from the delivery or use of the water purchased from Johnson
13 Utilities;
- 14 • The water hauler must sign an affidavit that no water purchased from Johnson
15 Utilities will be delivered or sold to any person who will use the water outside
16 of the Company's CC&N; and
- 17 • The water hauler must provide a log of all points of delivery for the purchased
18 water prior to the water hauler's equipment leaving Johnson Utilities'
19 premises.

20 Johnson Utilities has been working to extend water distribution mains to areas in its service
21 territory south of Hunt Highway. According to the Company, these properties developed through lot
22 splits without the installation of utilities and subdivision infrastructure. As a result, homeowners in
23 these areas haul potable water to their properties and rely on septic tanks. The installation of
24 distribution mains and the availability of water service from a regulated public utility will eliminate
25 the need to haul water for those who previously had no other alternative. Johnson Utilities has related
26 that it has already completed the installation of more than a mile of transmission mains and by mid-
27 October the Company will have installed nearly two miles of transmission mains.

28 **II. ARGUMENT.**

 To date, no person or entity, including STWC, has filed a formal complaint regarding the
closure of the Standpipe, nor has any person or entity sought to intervene in this docket. No person or

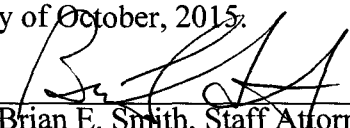
² Johnson Utilities provided Staff with a set of the documents to be signed by commercial water haulers specifying the terms and conditions under which Johnson Utilities makes potable water available to the water haulers. Johnson Utilities notes that Roadrunner Transit is subject to the same terms and conditions and that it has executed the documents that are applicable to all commercial water haulers.

1 entity, including STWC, has contacted Staff or Johnson Utilities to report that they do not have
2 access to a source of potable water. To date, Johnson Utilities has not had any commercial water
3 hauler other than Roadrunner Transit request access to water and complete the documents to establish
4 an account (although the Company remains ready and willing to provide such access). Based on
5 these facts, Staff submits that there is presently no further need for this docket to remain open or to
6 proceed with an evidentiary hearing in this matter. As a result, Staff moves for the administrative
7 closure of this docket without prejudice. Thus, Staff requests that:

- 8 1. Staff's inquiry in Docket No. WS-02987A-15-0284 regarding the Standpipe
9 should be administratively closed without prejudice;
- 10 2. Staff reserves the right to address any similar issues with regard to these matters
11 should they subsequently arise; and
- 12 3. Staff reserves the right to propose a tariff for standpipe service for Johnson
13 Utilities in the Company's next rate case.

14 Based on the foregoing, Staff requests that the administrative law judge issue a procedural
15 order administratively closing the docket without prejudice.

16 RESPECTFULLY SUBMITTED this 2nd day of October, 2015.

17 
18 Brian E. Smith, Staff Attorney
19 Legal Division
20 ARIZONA CORPORATION COMMISSION
21 1200 W. Washington Street
22 Phoenix, Arizona 85007

23 **ORIGINAL** and thirteen (13) copies
24 filed this 2nd day of October, 2015, with:

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26 ARIZONA CORPORATION COMMISSION
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